

# The Department of Education's *Experimental Sites Initiative*

*June 2020*

## Federal Work-Study (FWS) Experiment

# Welcome to the FWS Experiment



# Agenda

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- Overview of Experiment

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- Requirements

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- Implementation

# Responsibilities of Institutional Offices



Administrative Capability  
668.16(b)(1) and (4)

# How was my institution selected?

The Department considered the following:

1. Evidence that demonstrates a strong record in Title IV administration
2. Evidence that demonstrates strong standards of financial responsibility

# Purpose of Experiment

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The FWS Experiment seeks to determine whether the FWS program can, in addition to providing financial aid:

- Enhance a student's learning experience; and
- Improve student retention and graduation rates and preparation for employment

It does so by engaging students in off-campus work-study experiences that are integrated with their program of study and by introducing students to future potential employers.

# FWS Experiment Goals

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- **Incentivize** institutions and employers to work together to ensure that the academic curriculum adequately prepares students to enter the workforce, regardless of their chosen occupation or field
- **Increase** the likelihood that a low-income student will accept their FWS award
- **Improve** student outcomes, including retention, graduation and post-graduation earnings
- **Evaluate** the results from the partnerships between institutions and private-sector FWS partners



# FWS Experiment Objectives

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- Better integrate FWS experiences into the student's learning experience
- Expand the number of hours a student may work
- Expand types of employment opportunities available and expose more students to employer networks while they are in school
- Align cost-sharing requirements of small businesses with those of institutions of higher education and non-profit organizations



# FWS Experiment Objectives

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- Recognize that many students must work more than 10 hours per week and enable them to do so through a single FWS job
- Encourage institutions to identify FWS employers that can provide job opportunities that align with the student's academic program or career goals
- Enable institutions of higher education to pay eligible FWS students for required work-based learning experiences, such as internships and externships

# What We Hope to Learn

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Will the waivers and flexibilities in the experiment:

- Increase the number of academic program-aligned private sector FWS opportunities, the number of work hours made available to FWS who need to work more than 10 hours per week, and the hourly wages paid to FWS students?
- Improve college completion, job placement, and earnings outcomes?
- Increase student participation among low-income students who may have otherwise declined their FWS to seek a job that offers more hours or pays a higher wage?
- Improve student satisfaction with their FWS experience?

# What We Hope to Learn

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Will the waivers and flexibilities in the experiment:

- Encourage institutions to seek more private-sector FWS job opportunities, and engage employers more actively in program reviews and curriculum development?
- Reduce borrowing or increase persistence and completion among low income students engaged in required externships, internships or student teaching?

# What We Hope to Learn

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Will the waivers and flexibilities in the experiment:

- Help institutions build and maintain relationships with private-sector employers?
- Expand the Job Location and Development (JLD) program to provide more students with placements in off-campus jobs that align with their academic or career goals?

# Benefits for Students

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- Increases the diversity of employment opportunities, the number of hours available and wages paid to FWS students
- Aligns FWS job opportunities, including apprenticeships, with career and academic goals
- Enables low-income and disadvantaged students to have more opportunities to develop strong employer networks that will result in better job placements after graduating
- Enables students to better understand what will be expected of them in the workplace, which may be very different than expectations on campus

# Benefits for Employers

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- Enables employers to help improve academic programs and ensure that graduates are prepared to meet workforce needs
- Creates a pipeline of qualified workers
- Ensures that students graduate with strong workplace competencies
- Off-sets a portion of the cost of hiring student workers

# Benefits for Institutions

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- Creates improved partnerships with business leaders
- Provides experts who have real-world experience and can inform academic programs and curricula
- Connects students with potential employers for enhanced employment outcomes
- Enables low income students to remain full-time while enrolled in required, and previously unpaid internships and externships



# Waivers

| Current Rules   | Experiment   |
|---|--|
| <b>34 CFR 675</b><br>Restricts students in FWS programs to part-time employment   | Enables full-time employment opportunities related to student's academic program (apprenticeships, clinical rotations or student teaching) |
| <b>34 CFR 675.23</b><br>Limits the amount of an institution's FWS allocation and reallocation for an award year to pay the compensation of FWS students employed by a private for-profit organization to 25 percent | Allows schools to use 100 percent of FWS allocation and reallocation for employment in private for-profit organizations                    |

# Waivers

| Current Rules   | Experiment  |
|---|---|
| <b>34 CFR 675.26(a)(3)</b><br>Limits the Federal share of the compensation to a student employed by a private for-profit organization to 25 percent | Increases the Federal share of compensation for employment in private for-profit organizations to 75 percent (same as non-profit or community service employment) |
| <b>34 CFR 675.32</b><br>Caps the amount of an institution's FWS allocation to support a JLD Program at the lesser of \$75,000 or 10 percent         | Allows total FWS allocation to support JLD program  |
| <b>34 CFR 675.18(g)</b><br>Seven percent community service requirement  | Waives the seven percent community service requirement  |

# Waivers

| Current Rules   | Experiment  |
|---|---|
| <b>HEA section 442(a)(4)(A) and (B)</b><br>Permits the Secretary to allocate to eligible institutions up to 10 percent of the amount appropriated for FWS in excess of 700 million in any fiscal year | Permits additional FWS funding allocation to institutions participating in the experiment |

# General Expectations

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The Department expects employers and institutions to work together to:

- Coordinate schedules and prevent conflict between academic and employment activities
- Ensure that FWS supported private-sector employment is academically relevant and aligns with the student's career goals

# FWS Institutions



# FWS Experiment Funding Plan

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## General Information:

- The Fiscal Operations and Application to Participate (FISAP) must be submitted and corrected by the deadline (to be determined)
- The signed PPA amendment must be returned to FSA by July 10, 2020 to receive funding for the 2020-2021 award year
- The Department will divide the available funding (\$46,994,900 in 2020-2021) among all participating institutions that have returned the PPA

# FWS Experiment Funding Plan

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- Allocations for the experiment will be added to the initial funding allocations (April 1) for the 2020-21 year (this funding is considered additional initial allocation)
- Institutions may use initial allocation for normal “FWS” expenses
- All **additional initial** funding must be used **specifically and only** for the purposes of participating in the experiment



# FWS Experiment Funding Plan

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- Institutions will monitor and report FWS expenditures for 2020-2021 on the FISAP that will be submitted by October 1, 2021
  - FSA will provide more detailed information on reporting expenditures later (soft/hard edits)
- No community service requirement
- Underuse penalty applies only to initial allocation

# FWS Experiment Funding Plan

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Institutions will:

- Monitor FWS experiment's expenditures
- Provide student level data
- Report **total** FWS expenditures on the FISAP the following year

# FWS Experiment Administration

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Participating institutions must:

- Use any additional FWS funding specifically for the purposes of participating in this experiment
- Award and pay FWS funds to students for employment opportunities that have been created as a direct result of the institution's participation in the experiment.

# FWS Off-Campus Positions

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- Must be appropriate and reasonable based upon the type of work a student may perform
- Must relate to the student's academic and career goals
- Must be in line with the student's skill level
- May **not** replace regular employees, including workers on strike or those positions that were eliminated
- May use an application and screening process led by the employer to select successful candidates

# FWS Job Descriptions

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All FWS job descriptions should include the following elements:

- Position name and classification
- Employer and supervisor name and address
- Department/office and location where the student will be employed
- Purpose or role of the position within the organization
- Procedures for determining a student's rate of pay

# FWS Job Descriptions

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All FWS job descriptions should include the following elements (continued):

- Evaluation procedures and schedules
- Duties, responsibilities, and rates of pay associated with position
- General and specific qualifications for the position and rates of pay
- Beginning and ending dates for student's employment

# FWS Students

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# Academic Credit

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- A student may earn academic credit in addition to wages for an FWS job
- If earning academic credit, the student may **not**:
  - Be paid less than the student would be paid if no academic credit was awarded
  - Be paid for receiving instruction in an academic setting (except in case of an apprenticeship)
  - Be paid unless the employer would normally pay a person for the same job
- FWS wages may be used for classroom learning as part of an apprenticeship

# Wages

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- The institution and employer should consider the following when creating a student's wages:
  - Skills needed to perform the job
  - How much individuals with such skills are paid in the local area for doing the same type of job
  - Rates the school or employer would normally pay non-FWS employees
- Any applicable federal, state, or local laws must be followed
- Wage rates must not be based on student's financial need

# Wages

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An institution may:

- Require prepayment of the non-federal share by the employer at the beginning of a payment term or
  - Pay the non-Federal share of the student's FWS wages out of their own funds and be reimbursed by the employer at the end of a payment term.
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- Federal share limit is increased to 75% for a small business employer under the experiment
  - Students must work hours prior to being paid for those hours
    - Undergraduates must be paid hourly
    - Graduates may be paid hourly or salary

# Additional Benefits

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- FWS earnings are not counted as earnings for Federal Student Aid needs analysis
- An institution or employer may provide the student with W-2 forms that indicate the amount of wages that must be included in the student's needs analysis
- Schools or employers are permitted to pay fringe benefits from a separate account

Note: Institutions may **not** use FWS funds to provide benefits such as sick leave, vacation, holiday, Social Security, workers' comp, retirement, or other welfare or insurance program

# Making Schedules Work

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Institutions may wish to introduce class schedule options that help students manage work and school such as:

## Block Scheduling

Permits the student to complete all their classroom instruction on specific days; allows the student to work during regular business hours on the other days

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## Fixed Scheduling

Offers students an opportunity to attend classes and work on the same days at the same times from one semester to the next

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## Flexible Scheduling

Enables students to attend other sections of their classes when unexpected circumstances prevent a student from attending their regularly scheduled classes

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# FWS Employers

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# Employer Agreement

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- The institution and employer should enter into a partnership or agreement that outlines the following list of issues:
  - Number and type of FWS job
  - Student qualifications for FWS position
  - Wage share percentage
  - Payment
- Employment partnership agreement examples may be found in the FWS Experiment Toolkit



# Job Location and Development (JLD) Program

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The purpose of the JLD program is to locate and develop off-campus job opportunities for students

- JLD funds may be used to establish, administer, or expand a JLD program
- Jobs are available to both FWS and non-FWS eligible students
- FWS allocation may be used to pay up to 80% of the allowable costs in the JLD program and the (school/employer provides the remaining 20%)

# JLD Under the FWS Experiment

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Under the FWS Experiment, institutions are permitted to:

- Contract with third-party businesses
- Develop new apprenticeship opportunities for students
- Cultivate private non-profit and for-profit sector jobs under JLD
- Waive the 10% or \$75,000 cap on its FWS allocation and reallocation to support JLD

# Likely Evaluation Data

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Reporting will consist of two parts:

- School survey
- Individual student information

NOTE: Institutions will need to differentiate FWS positions under the experiment vs. FWS positions (not a part of the experiment)

# Reporting and Evaluation

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Other Information to be collected for evaluation:

- Enrollment, completion, and withdrawal of students who receive title IV funds
- The Fiscal Operations Report and Application to Participate (FISAP)
- Records that substantiate student work hours and wage share requirements
- Data regarding student and employer participation in the experiment

**Specific evaluation and reporting requirements will be finalized and shared with participating institutions later this year.**

# The 2020 Federal Work-Study Experiment Toolkit

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The Department developed a toolkit to assist institutions and off-campus employers with additional questions:

- Serves as a resource for this experiment
- Will be accessible on the ESI website

# Program Participation Agreement



**FSA sent an electronic PPA that outlined the requirements for participating:**

1. Sign by Institution's CEO
2. Return hard copy to the Department by deadline



**FSA sends welcome letter and countersigned amendment:**

Additional FWS funding to be included in welcome letter

# Experimental Sites Website

Home

How to Apply

Implement an Experiment

Experiment

ESI Reporting

<https://experimentalsites.ed.gov>

## Implement an Experiment

Action Plans

Training

Q&As

Guidance

# Contact Information

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[ExperimentalSites@ed.gov](mailto:ExperimentalSites@ed.gov)





# Questions and Answers